United Nations A/66/7/Add.23

General Assembly

Distr.: General
15 December 2011

Original: English

Sixty-sixth session
Agenda item 134
Proposed programme budget for the biennium 2012-2013

Contingency fund: consolidated statement of programme budget implications and revised estimates

Twenty-fourth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2012-2013

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the consolidated statement of programme budget implications and revised estimates (A/C.5/66/13). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The Advisory Committee recalls that, in its resolution 65/262, the General Assembly decided that the level of the contingency fund for the biennium 2012-2013, within which additional requirements should be accommodated, would be $40,475,200. The total value of the relevant items that are before the Fifth Committee for decision amounts to $40,513,400. Taking into account the relevant recommendations of the Advisory Committee, which would result in an overall reduction of $5,911,700, potential new charges to the contingency fund would amount to $34,601,700. Accordingly, should the Assembly approve the appropriation of the amounts set out in the table under paragraph 3 of the report of the Secretary-General, a balance of $5,876,500 (14.5 per cent) would remain in the contingency fund to meet future requirements during the biennium 2012-2013.

3. The Advisory Committee recalls the provisions of General Assembly resolutions 41/213 and 42/211 on the use of the contingency fund. In its resolution 41/213 (annex I, sect. C, para. 8), the Assembly stipulated that the programme budget should include a contingency fund expressed as a percentage of the overall budget level to accommodate additional expenditures relating to the biennium derived from legislative mandates not provided for in the proposed programme budget or from revised estimates. In its resolution 42/211, the Assembly decided that the fund covers additional expenditures relating to the biennium that are based on decisions taken during a three-year period, which includes the year preceding the biennium and the biennium (annex, sect. B, para. 1). Further, the contingency fund

11-64181 (E) 161211

Please recycle

is to be used for revised estimates in respect of amounts required over and above the estimates in the proposed programme budget for activities that had been included in the proposed programme budget but that were not acted upon at first reading pending the submission of additional information (resolution 42/211, annex, sect. A, para. (b) (i)). The Assembly also stipulated that prudent use of the fund requires that it should not be exhausted before the end of the period of use (ibid., annex, sect. B, para. 2) and that if additional expenditures are proposed that exceed the resources available within the contingency fund, such additional expenditures can only be included in the budget through the redeployment of resources from low-priority areas or modifications of existing activities, or else be deferred until a later biennium (resolution 41/213, annex I, sect. C, para. 9).

4. **The Advisory Committee points out that the additional resource requirements of $34,601,700 outlined in the report of the Secretary-General relate to decisions taken before adoption by the General Assembly of the programme budget for the biennium 2012-2013. If approved by the Assembly, the additional requirements would deplete approximately 85 per cent of the contingency fund before the biennium has even started. While recognizing that additional resource requirements must be considered and that it is not always possible to fit new initiatives within the biennial cycle of the regular budget, the Advisory Committee considers that it is the responsibility of the Secretary-General, as chief administrative officer of the Organization, to ensure that the proposed programme budget presents the fullest possible picture of the Organization's requirements for the coming biennium. The Committee considers that at least some of the additional requirements could have been included in the proposed programme budget for the biennium 2012-2013, thus avoiding a piecemeal approach to the budget process.**

5. **The Advisory Committee considers the contingency fund to be an essential budgetary instrument for addressing additional resource requirements and emphasizes the need to adhere to the provisions of General Assembly resolutions 41/213 and 42/211 on its use. The Committee recommends that the Secretary-General be requested to analyse the way in which the contingency fund is currently utilized and, in the future, to make every effort to incorporate additional requirements into the initial budget proposals.**